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Disclaimers



- represents my unofficial interpretation of the FCC's E-rate rules and regulations. Official guidance can come only from the FCC and USAC.
- USAC may update the application portal or the procedures after today's presentation. What I present is correct to the best of my knowledge at the time of the presentation.

WHAT IS E-RATE?

The key players and basic concepts

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Agencies to Know

The Rulemakers

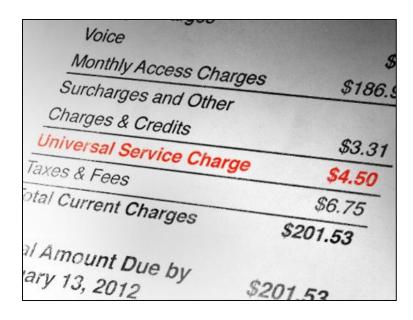


The Administrators



E-rate Basics

- E-rate = Education rate for Schools & Libraries
- 20-90% discounts on eligible products and services to make telecommunications more affordable
- One of four FCC 'universal service' programs designed to provide comparable levels of connectivity to eligible groups, regardless of where they are located.
- Core principles: competitive bidding and cost-effectiveness



E-rate is funded by fees applied to telecommunications invoices, not federal tax dollars.

E-rate Funding Years

Download latest chart from KDLA E-rate page:

https://kdla.ky.gov/librarians/programs/e-rate/Pages/Funding-Years.aspx

E-rate Funding Years - Dates to Remember

KDLA E-rate	Application Process			Recurring Services		Non-Recurring Services	
support: Lauren Abner lauren.abner @ky.gov or 502-564- 1728	Form 470 – Competitive Bidding	Form 471 – Application to Request Discounts	Form 486 – Service Start Date + CIPA Certification	Service Dates for Category One or Two	Invoicing Deadline (BEAR/472)	Service Dates for Category Two Purchase/ Installation	Invoicing Deadline (BEAR/472)
Funding Year 2018 (FY 2018-19)	Closed	Closed	120 days from: FCDL or Service Start Date (whichever is later)	July 1, 2018 to June 30, 2019	October 28, 2019	April 1, 2018 to Sept. 30, 2019	January 28, 2020
Funding Year 2019 (FY 2019-20)	Closed	Closed	120 days from: FCDL or Service Start Date (whichever is later)	July 1, 2019 to June 30, 2020	October 28, 2020	April 1, 2019 to Sept. 30, 2020	January 28, 2021
Funding Year 2020 (FY 2020-21)	July 1, 2019 to February 2020 Estimated dates to open bidding	Mid-January to Mid-March 2020 Estimated Form 471 filing window	120 days from: FCDL or Service Start Date (whichever is later)	July 1, 2020 to June 30, 2021	October 28, 2021	April 1, 2020 to Sept. 30, 2021 **See note below	January 28, 2022
Notes	Most libraries open competitive bidding each year and must wait at least 28 calendar days to select vendor(s).	All libraries must file the Form 471 every year to receive a funding commitment.	All libraries must file the Form 486 to release funding for invoicing; FCDL = Funding Commitment Decision Letter	Both Category One and Two services may be recurring (ex: monthly internet)	May request one 120-day extension by the deadline	Non-recurring = one-time purchases such as network equipment	May request one 120-day extension by the deadline

LIBRARY ELIGIBILITY

LSTA/E-RATE ELIGIBILITY

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Who Is Eligible for E-rate?

- Libraries must qualify for support from the Library Services and Technology Act (LSTA) as defined by the state library agency and must have funding as an independent entity
 - Most school libraries and academic libraries aren't eligible for E-rate because their budgets aren't independent from the school/university
- For Kentucky public libraries, the eligibility definitions are set by KDLA: https://kdla.ky.gov/librarians/funding/Documents/eligible%20library%20II%20-%202015.pdf



Kentucky Libraries & E-rate

- Each year, approximately 100 Kentucky libraries apply for E-rate discounts.
- Average funding committed per library in Funding Year 2019: over \$21,500
- Since 1998, Kentucky libraries have received disbursements from the E-rate program totaling more than \$18 million.
- Most Kentucky libraries receive 80-90% discounts

When CIPA Is Required



- Federal law requires recipients of E-rate funding to filter their internet access in compliance with the Children's Internet Protection Act (CIPA) when receiving support for:
 - Internet Access
 - Any Category Two funding
- Exception: If the E-rate funds are solely for telecommunications (transport only), then CIPA compliance is not required.

3 Steps to CIPA Compliance







Internet Safety Policy Notice & Public Meeting

Technology Protection Measure

For more information on CIPA, see: http://usac.org/sl/applicants/step05/cipa.aspx Watch KDLA's CIPA webinar: http://kdla.adobeconnect.com/ppvoyq0q24at/

Billed Entity Numbers (BENs)

- A Billed Entity Number (BEN) is assigned to each independent library or library system as a unique identifier with the E-rate program.
- Within a multi-branch library system, individual entity numbers are assigned to each eligible branch building.
 Some library systems have an entity number for the bookmobile, too.
- Example:
 - 128781 Estill County Public Library (system BEN)
 - 17005414 Main Branch
 - 17005416 Bookmobile
- Contact the KDLA Technology Consultant if you have questions about (billed) entity numbers.

E-RATE ELIGIBLE SERVICES

An overview of the Eligible Services List

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The Eligible Services List

- The full E-rate Eligible Services List can be downloaded from the USAC website: http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services-list.aspx
- Eligible services are separated into two broad categories:
 - Category One: Connectivity to the Building
 - Category Two: Connectivity to the Device

Draft Funding Year 2020 Eligible Services List released August 2, 2019: https://ecfsapi.fcc.gov/file/0802706006732/DA-19-738A1.pdf

Category One

- Data Transmission Services & Internet Access
 - Monthly Internet service for branch buildings, including installation lines/circuits can be fiber or non-fiber (coax cable, DSL, etc.)
 - Fees for static IP addresses are eligible as part of your library's internet access
 - Fees for "basic termination equipment, such as a cable modem, CSU/DSU, network interface device, or copper-to-fiber converter" may be eligible as part of your library's internet access. See USAC's <u>On-Premise Category One</u> <u>Equipment page</u>.
 - Leased data lines (T1, lit fiber, dark fiber, etc.)
 - Cellular data (hotspot service) for bookmobile only
 - Self-provisioned broadband networks (owned/operated by applicant)
 - Network Equipment required to make data transmission and/or internet access functional (ex: modulating electronics)

Recurring service dates for Funding Year 2020:
July 1, 2020 to June 30, 2021

No budget limit on Category One requests

Category Two - IC

Internal Connections

- Cabling (bulk cabling, drops, patch cables, cabling installation/removal)
- Switches (hardware, licenses, transceivers, other modules)
- Routers† (hardware**, licenses**, transceivers, other modules)
- Wireless Access points (hardware, licenses)
- Wireless controller systems
- Firewalls (hardware, licenses**)
- UPS (Uninterruptible Power Supply/battery backup)**
- Racks**
- Caching services or equipment
- Antennas, connectors, & related components
- Software supporting components on the list used to distribute broadband through the library

FY 2020 Early Installation: April 1, 2020 FY 2020 Late Installation: September 30, 2021.

These eligible functions can be virtualized in the cloud or combined in equipment (like routing and switching).

- **Some restrictions apply depending on usage, ineligible security components, etc.
- † For a router leased from the internet service provider, your library may need to bid for Category Two Internal Connections for Function: Router. See 'Configuration Examples' section of USAC's On-Premise Category One Equipment page & Q9 of FAQs: Eligible Fiber Services

Category Two – BMIC & MIBS

Basic Maintenance of Internal Connections

- Repair and upkeep of eligible hardware (even if not purchased through E-rate)
- Wire and cable maintenance
- Configuration changes
- Basic technical support including online and telephone based technical support
- Software upgrades and patches including bug fixes and security patches

Managed Internal Broadband Services (MIBS)

• 3rd party operation, management, and monitoring of eligible broadband internal connections (ex: managed Wi-Fi)



Funds for Learning has a good explanation of <u>Basic Maintenance of Internal</u> Connections (BMIC).

MISCELLANEOUS

May fall under Category One or Two:

- Some taxes, surcharges, and other similar, reasonable charges
 - Federal Access Recovery Charge on internet invoices permissible charge for use of a local carriers network; not all ISPs charge this
 - USF fees on internet invoices "customer charges for universal service fees, but do not include additional charges for universal service administration"
- Rental or lease fees for eligible components
- Shipping
- Training only for new equipment purchased with Cat2 funds
- Installation and configuration
 - May be performed by a 3rd party rather than the vendor who sold the equipment

DISCOUNT RATES

What kind of refund can my library expect?

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What's My Discount Rate?

- E-rate discounts are based on two criteria:
 - Percentage of students eligible for the National School Lunch Program in the local school district of your main library branch.
 - School districts submit this data, and your library system's profile links to this automatically—easy!
 - Rural or urban classification of the area served by the library system
 - USAC has an Urban/Rural Lookup Tool on its website: https://sltools.universalservice.org/portal-external/urbanRuralLookup/
- Look at Discount Matrix (next slide) for discount rate

Discount Matrix

Discounts are similar for Category One and Category Two eligible services, but the top discount for Category Two is capped at 85%.

INCOME	CATEGO	RY ONE	CATEGORY TWO		
Measured by % of students eligible for the National School Lunch Program	URBAN Discount	RURAL Discount	URBAN Discount	RURAL Discount	
Less than 1%	20%	25%	20%	25%	
1% to 19%	40%	50%	40%	50%	
20% to 34%	50%	60%	50%	60%	
35% to 49%	60%	70%	60%	70%	
50% to 74%	80%	80%	80%	80%	
75% to 100%	90%	90%	85%	85%	

View Your Discount Rate in the E-rate Productivity Center



#208 - Pioneer County Public Library System

□

Customer Service

Modifications

Additional Information



Contracts FCC Forms

FRN Appeals

News

Related Actions

Requested Discount Rate - Pioneer County Public Library System (BEN: 208) - FY2018

More than 50 percent of your library outlets/branches must be rural for the library system to be considered rural.

This discount rate has not been approved for the current year

Associated School District Full-time Enrollment	Associated School District NSLP Count	Associated School District NSLP Percentage	Library System Urban/Rural Status	Category One Discount Rate	Category Two Discount Rate	Voice Discount Rate	
801	744	93%	Rural	90%	85%	10%	

HIDE ADDITIONAL INFORMATION

Entity Name

Pioneer County Public Library Main Branch

Pioneer County Bookmobile

To view your current discount rate in the **E-rate Productivity Center:** Go to My Landing Page, click on the name of your library system, then click on Discount Rate.

WHAT'S UP WITH CAT2 FOR FY 2020?

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Cat2 Budgets FY 2015-19

- The Category Two budget is a pre-discount amount on which a library can request discounts over a 5-year period
- Cat2 budget is based on the square footage within enclosed walls and for FY 2019 was specific to the library branch
 - Exception: The costs for equipment/services shared by multiple branches will be divided between the branches for which support is sought.
 - Includes eligible kiosks and bookmobiles
 - See <u>eligibility requirements</u> on KDLA website
 - Excludes administrative-only branches (called noninstructional facilities or NIFs)

Cat2 Budget Math

- FY 2019 budget was ~\$2.45/square foot for almost all Kentucky libraries
 - Adjusted for inflation each year
- Some branches in densely-populated areas received ~\$5.32/sq. ft. for FY 2019
 - Branch must have IMLS locale code 11, 12, or 21
- Minimum budget per branch for FY 2019 was \$9,793.04 if less than 4,000 sq. ft.
- Could be spent all in 1 funding year or spread over several years.

Construction? Get more Cat2!

 Cat2 budget increases when the library gains finished, interior square footage during the funding year. Get documentation ready <u>before</u> applying.



What's Likely for FY 2020

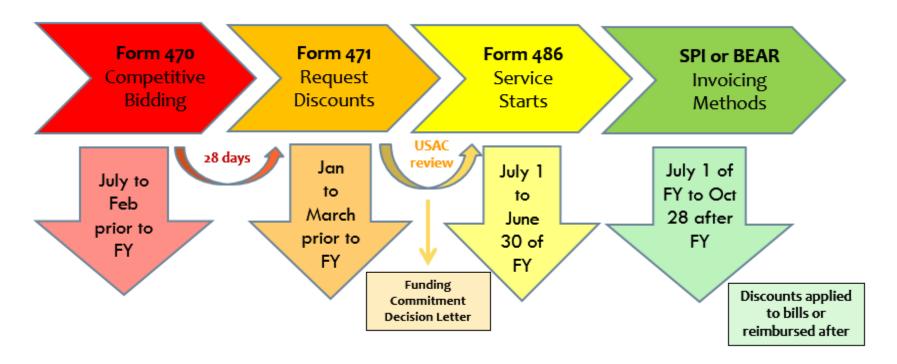
- In July 2019, the <u>FCC requested comments</u> on how to continue Category Two funding for FY 2020 and forward.
- Based on comments to the FCC and analysis from the E-rate community:
 - The budget multiplier per square foot will likely increase
 - The minimum budget floor will likely be raised
 - The budgets might be used across the library system rather than for a specific branch
 - The 5-year budget period could be changed to a fixed 5years rather than a rolling time period.

APPLICATION CYCLE

A rundown of the forms to file

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E-rate Cycle



- The deadline to start competitive bidding (Form 470) for FY 2020 will likely be February 20, 2020.
- The deadline for filing FY 2020 applications (Form 471) will likely be March 20, 2020.

Form 470 – Competitive Bidding



- On the Form 470, applicants describe the E-rate eligible services they need. Potential service providers have <u>at least</u> 28 calendar days to respond with bids.
 - All vendors must be treated equally fair & open bidding
 - Cost must be the primary factor in choosing vendor
 - Create a bid evaluation form if you receive multiple bids
 - Keep records of the bid review process, decisions and actions taken
- Filing a Form 470 does <u>not</u> obligate an applicant to sign contracts or accept E-rate funding.

Competitive Bidding & Existing Contracts

Question: My library already has a contract for internet access (or another eligible service), and this contract was not previously approved for E-rate. Can my library still get discounts for this service?

Answer: Yes. Your library must go through competitive bidding and consider the current contract along with other bids received for the same service. If your contract honestly wins the bid evaluation with price as the primary factor, you can get an E-rate discount for those services. You'll memorialize the contract paperwork with the date the contract won the E-rate bid evaluation. This is not a best practice for E-rate, so try to avoid this scenario when possible!

Business-Class Internet Bidding Exemption

- A Form 470 for Internet service is <u>not</u> necessary if ALL these conditions are met:
 - Bandwidth is at least 100 Mbps downstream and 10 Mbps upstream
 - Pre-discount cost is less than \$3600 annually (\$300/month) for each branch, including any installation or other eligible fees
 - Service and price are commercially available to other business or government customers in your area

Form 471 – Request Discounts



- The Form 471 = the E-rate application filed every year
- On the Form 471, report which products and services you have chosen through competitive bidding –
 - If contracts or legally binding agreements are required, they
 must be signed <u>before</u> filing a Form 471
 - Include information about the service provider and costs
 - Include discount calculation and request for a specific amount of funds
 - In the <u>E-rate Productivity Center</u>, you can upload copies of contracts to speed up the review process.

Application Review

- USAC reviewers may ask applicants for additional documentation to verify eligibility of services.
 - Will help you make allowable corrections to your Form 471
- Funding commitments are released in waves as applications are reviewed.
 - Funding Commitment Decision Letters for each Form 471 indicate which funding requests were approved and the amount of funding committed.
 - Applicants receive FCDLs by email or can download them from the <u>E-rate Productivity Center</u>.

Form 486 - Service Starts



- Indicates the earliest date in the funding year when services started (or will start).
- Includes certifications regarding compliance with the Children's Internet Protection Act.
- Must file a Form 486 for funding to be released for invoicing

SPI or BEAR – Invoicing Methods



Service Provider Invoicing (SPI)

- Your service provider automatically applies your discount rate to each bill
- Less paperwork for you, but not all service providers will offer this

Billed Entity Applicant Reimbursement (BEAR)

- Submit the eligible amount you were charged through the BEAR Online, file periodically or submit full amount after FY ends
- Reimbursement via direct deposit
- More work on your part, but more control over timing of reimbursement

E-RATE PRODUCTIVITY CENTER

Basics of the application portal

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E-rate Productivity Center

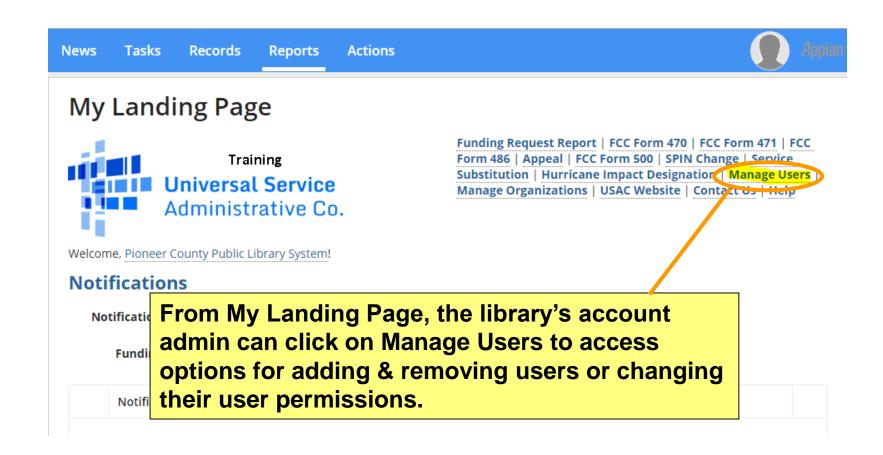
- Application portal for filing almost all E-rate forms
 - Retains funding information from FY 2016 and forward
- E-P-C or 'epic' for short.
- Link: https://portal.usac.org/suite/
- Each library can have several users with various permission levels. The account admin for the library creates accounts for additional library staff.
- Update your library's profile contact info, square footage, etc.

EPC Account Admin

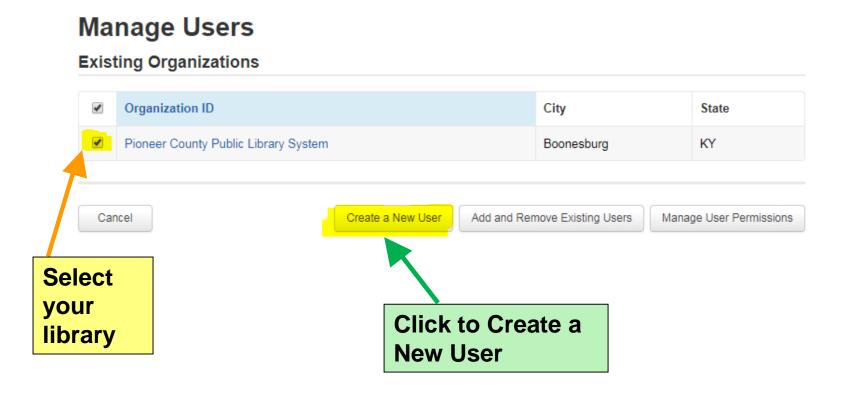
- Pick a library staff member to act as Administrator for the account

 should be person with primary responsibility for preparing E rate forms, will add other users if needed
- Information you'll need:
 - Administrator's First and Last Name
 - Administrator's Title
 - Administrator's email address (this will become login ID for the account)
 - Library's <u>physical</u> address (can add mailing address, too)
 - Library's Billed Entity Number
- Contact USAC Client Service Bureau
 - Call 1-888-203-8100 for assistance

Create a New User (1/3)



Create a New User (2/3)



Create a New User (3/3)

Create A User for Pioneer County Public Library System

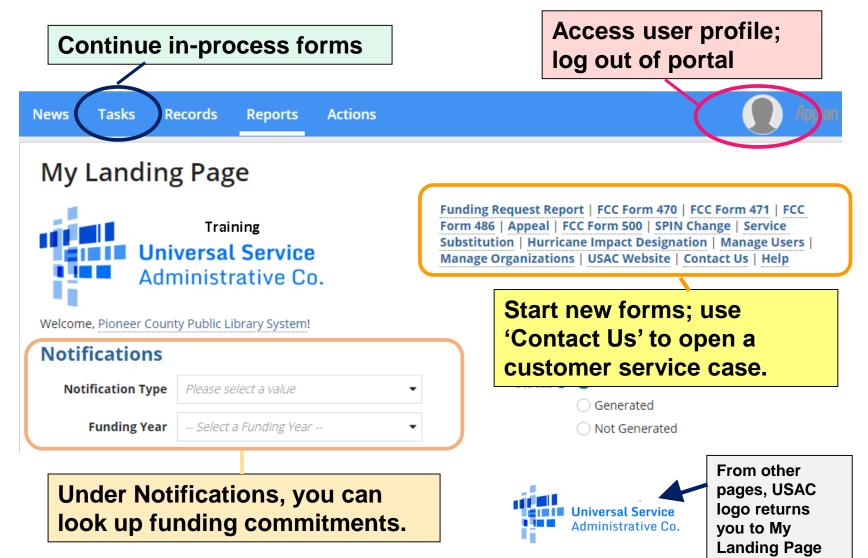


Logging in for the 1st Time

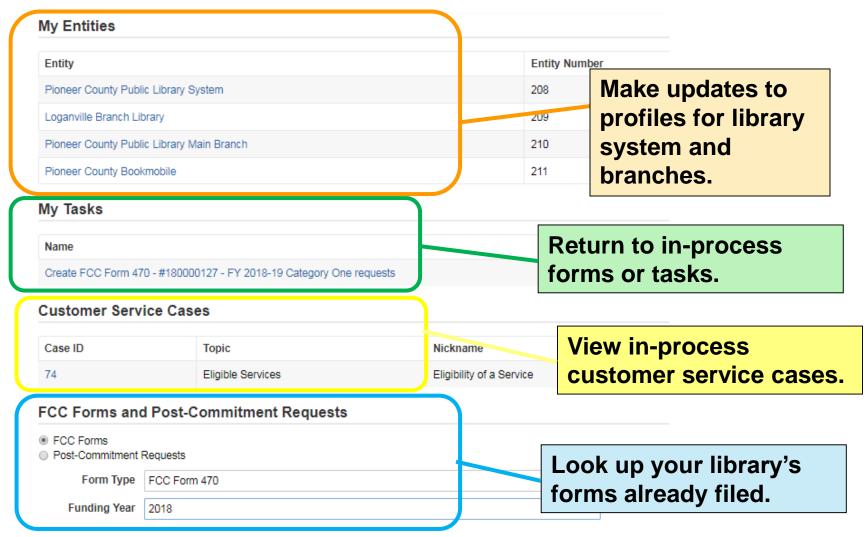
- The email invitation will direct you to the E-rate Productivity Center: <u>portal.usac.org</u>
- Select 'I Agree' re: authorized use notice
- Choose the 'Reset Your Password' link and enter your email address as the username. The password reset link will expire after 15 minutes!
- 1st task after successful login complete Terms of Service Agreement
- Problems? Call Client Service Bureau at 1-888-203-8100



My Landing Page (1/2)



My Landing Page (2/2)



CHECKLIST

Gearing up to file for Funding Year 2020

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FY 2020 Checklist (1/4)

E-rate Productivity Center information

- Update USAC's data relating to your library/library system
 - Are there new branches since the last year you applied?
 - Have the mailing or physical addresses changed?
- E-rate Productivity Center accounts
 - Account administrator has been set
 - Other users added with various permission levels
 - Your contact information in your individual EPC user profile is correct

FY 2020 Checklist (2/4)

Eligible Services – what does your library need?

- Category One
 - Data Transmission and/or Internet Access
- Category Two
 - Internal Connections
 - Basic Maintenance of Internal Connections
 - Managed Internal Broadband Services

Contracts for existing services

- Do the contracts cover the entire funding year?
- Were those contracts approved during a previous application cycle?

FY 2020 Checklist (3/4)

Category Two Budget**

- What is the square footage of each building?
 Has it changed since last year?
- Will construction or renovation change the square footage by the purchase/installation deadline for FY 2020 Category Two—September 30, 2021?
- Have any library branches received funding commitments for Category Two since FY 2016?

^{**}FCC Order for Category Two still pending

FY 2020 Checklist (4/4)

Children's Internet Protection Act (CIPA) Compliance

- Will the library request E-rate support for Internet Access or any Category Two equipment or services?
 - If yes, has your library:
 - Implemented a filter that blocks visual images that are obscene, child pornography, or (sexual material) 'harmful to minors'?
 - Created an Internet Safety Policy that addresses children's online safety when using the library's internet?
 - Held a public meeting prior to adopting the policy? Do you still have documentation that notice was given before the meeting?

Help from KDLA

 Will I ask the Technology Consultant to review my Forms 470 and 471 before certifying? (Correct answer: Yes!!!)

WRAP-UP

Why to apply for E-rate + Resources

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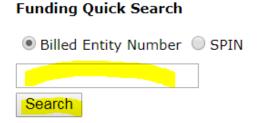
Why Apply for E-rate?



Image from Grow with Google event at Erlanger Branch of Kenton County Public Library: Northern Kentucky Tribune, July 18, 2019

Resources

- KDLA's E-rate page
 - https://kdla.ky.gov/librarians/programs/e-rate/Pages/default.aspx
- USAC Schools & Libraries Division
 - www.usac.org/sl
 - Client Service Bureau 1-888-203-8100 or create a case in the <u>E-rate Productivity Center</u>
- E-rate Central state page for Kentucky
 - https://tools.e-ratecentral.com/us/stateInformation.asp?state=KY
 - Research your library's E-rate funding history:



Sign up for KYTECH LISTSERV®

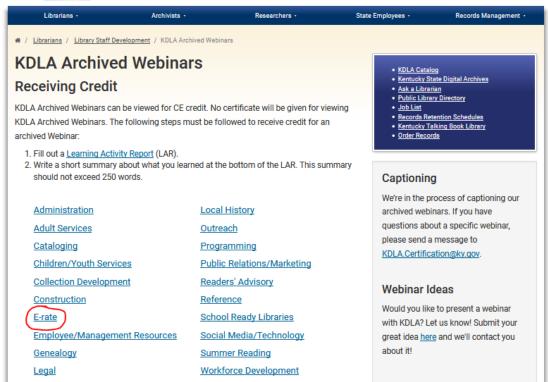
- For Library Technology Support Staff:
 - KYTECH is a monitored discussion list devoted to those who work with technology for their library. By using this LISTSERV®, individuals from around the state will have the chance to ask questions, share ideas, voice concerns, and make valuable contacts all through their e-mail.
 - TO SUBSCRIBE: Send a blank message to: joinkytech@listserv.ky.gov
- E-rate updates and reminders are posted to KYTECH

KDLA Archived Webinars

https://kdla.ky.gov/librarians/staffdevelopment/kdlaarchivedwebinars/Pages/default.aspx



Kentucky Department for Libraries and Archives





For E-rate questions or for assistance with filing forms, please contact KDLA.

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Please complete KDLA's survey: https://www.surveymonkey.com/r/ErateforEveryoneFY2020



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